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# Incomes of the population of the Republic of Kazakhstan as the main criterion for assessing its standard of living

**Abstract.** In this article, the income of the population of the Republic of Kazakhstan is based on its assessment of the standard of living and explains what kind of income is important for the population in the income structure of the population. It is also stated that a change in the structure of the population's monetary income may be one of the factors that may contribute to the strengthening or differentiation of the population's income.

Keywords: incomes, population, standard of living, average monthly wage, living wage.

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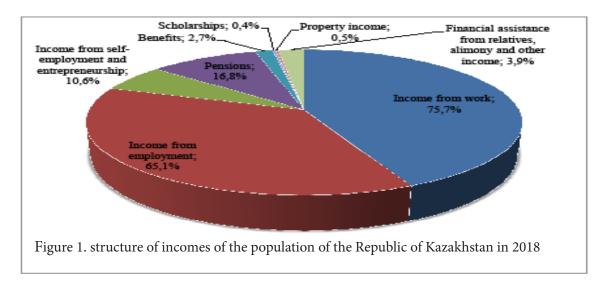
As the head of the state Nursultan Nazarbayev noted in his Address of January 17, 2014, "Kazakhstan's Way - 2050: common goal, common interests, common future": "we adopted the Kazakhstan-2050 Strategy so that Kazakhstan's people confidently hold the country's future. In accordance with clause 6 of Article 39-3 of the Law of the Republic of Kazakhstan dated January 23, 2001 «On Local State Governance and Self-Government in the Republic of Kazakhstan», Decree of the Government of the Republic of Kazakhstan dated October 18, 2013 No. 1106 «on the approval of the Model Rules for Separate Local Communities This means that we annually improve the life of the population, and not at 30–50 years. "[1]. The standard of living objectively characterizes the pace of economic development, consumption, the degree of satisfaction of material, spiritual and social population needs, providing the population with consumer goods. Satisfaction - some types of human needs that are an integral part of the standard of living are usually defined as an integral part of the standard of living (eg., nutrition, health, education, etc.) Each of them contains data related to the satisfaction of needs in the relevant industry for a certain period.

The system of quantitative and qualitative indicators of the standard of living:

- 1) the total consumption of material goods and services, the level of consumption of food, non-food products and services;
  - 2) actual incomes of the population, wages, incomes from other sources;
  - 3) working conditions, working time and leisure time;
  - 4) housing conditions;
  - 5) education, health, etc. b. quality and availability indicators.

Cash incomes of the population include wages of workers, social benefits - pensions, scholarships, insurance payments and other payments, entrepreneurial income, property incomes in the form of interest on deposits, on securities, dividends, other income. Actual cash income is determined by dividing an index of nominal size established for a certain period of time by one period of time according to the consumer price index. One-time cash income includes cash income for which mandatory payments and contributions were written off [2].

In Kazakhstan in 2018, income from work activity occupies the largest share in the structure of income of the population 75.7%, including income from hired work 65.1%, income from self-employment and business activity 10.6%, pension 16, 8%, allowances-2.7%, TSA and housing assistance-0.0%, scholarships-0.4%, property income-0.5%, material assistance from relatives, alimony and other income from relatives amounted to 3.9% (Fig. 1).



Note: Compiled by the author based on the data of the - [3]

According to a study conducted by the Kazakhstan Institute of Strategic Studies under the President of the Republic of Kazakhstan, the main source of income for 56.7% of the state's population is wages, and 8.9% are individuals who receive additional income from time to time, and 3.4% are persons, having constant additional income. Income from private entrepreneurship was 8.3%. 11% of respondents have a random income (Fig. 2).

35.8% of respondents showed that one of the sources of household income is personal subsidiary farming, producing products for their own consumption.

Only 1.1% of respondents indicated at the expense of property income, at the expense of interest on deposits - 1.2%, at the expense of income from real estate - 2.2%.

If we consider the structure of monetary incomes of the population of Kazakhstan in dynamics, then in 2014-2018 there were no major changes. The share of labor income over the five-year period decreased from 81.2% in 2014 to 75.7% in 2018 and maintains the same normal level.

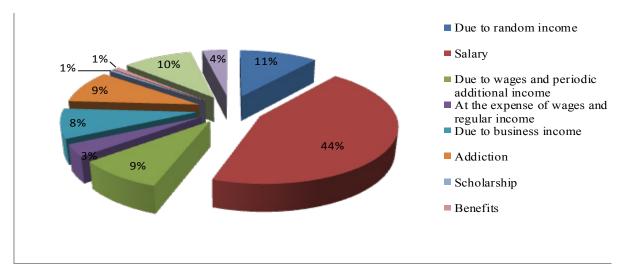


Figure 2. Respondent's answer to the question «with what money do you live?» Note: Compiled by the author on the basis of the data - [4]

At the same time, in 2018, the share of social transfers increased by 4.8% compared to 2014 and amounted to 19.9%, other cash receipts increased by 0.7% and amounted to 4.4% (Fig. 3).

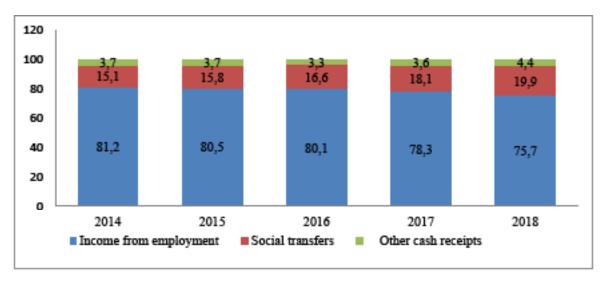


Figure 3. Changes in the income structure of the population of Kazakhstan for 2014-2018 Note: Compiled by the author on the basis of data [5]

In the income structure of the population, the share of income from hired work decreased from 70.1% in 2014 to 65.1% in 2018. Thus, the share of remuneration of employees, which is the main source of wealth, decreases, the number of self-employed citizens' increases.

The share of property income in the income structure of the population and the value of the share of business income are very important. The expansion of small business, the development of financial infrastructure, noted in Kazakhstan in recent years, should stimulate the growth of income from property and entrepreneurship, and in the structure of money income the share of these incomes should grow.

However, in Kazakhstan, the share of property income remains low: from 2014 to 2015, it was 0.3%, in 2016 it was 0.1%, to date, 0.4%. In the period from 2014 to 2018, the share of self-employment and income from entrepreneurial activity received a steady downward trend (Fig. 4).

The share of social transfers in gross income has not changed significantly and in 2018 was 19.9%, that is, the main components of the population's monetary income: income from work, social contributions increased equally from 2014 to 2018, therefore there were not significant structural redistributions.

The most informative indicator of the indicators of the standard of living of the population is the «purchasing power of average per capita income.» Increased purchasing power of income will help to reduce the proportion of poor people.

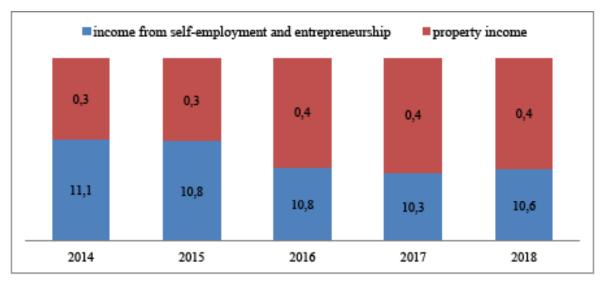


Figure 4. Dynamics of incomes of the population of the Republic of Kazakhstan from self-employment and entrepreneurship for 2014-2018

Note: compiled by the author on the basis of data [5]

In Kazakhstan, the purchasing power of income for 2014–2018 (the average amount of income consumed, pension, allowance) did not exceed two subsistence minimums.

The structure of money incomes for the period under review has changed with a certain increase in the share of income from labor activities. But property incomes still occupy a small share in the structure of the population's cash income (0.4% in 2018), which indicates that a small part of the household has any property that can bring income to the household.

On these issues, the following results and proposals will be considered:

- 1. General provisions. Revision of the methodology for calculating the basic social standards of the standard of living of the population, the subsistence minimum and the "poverty line" used to provide social assistance. Because adequate «social standards» allow you to make the right decisions when providing social support. Bringing the subsistence minimum from 0.19 to 0.30 of the average nominal wage, for example, in Russia and Belarus (0.35).
- 2. Social support programs should be aimed at acquiring the necessary skills of work and adaptation to the local labor market, including the promotion of entrepreneurship, promotion of the organization of sales markets.
- 3. Promoting public involvement in determining the status of the needy, increasing social support by reducing administrative barriers, transport costs in the form of collecting certificates or other documents, standards for assessing income from personal subsidiary farming.
- 4. For program development, poverty measures (for example, poverty rates or the proportion of poor) must be more flexible depending on the target group (very poor or low incomes).
- 5. It should be borne in mind that at present the targeted social assistance is aimed at overcoming the poverty of products and its impact is determined at the level of 0.09%, therefore, to increase its potential, it is necessary to use the subsistence minimum.
- 6. The social support system should stimulate not to enter the poor group, but to leave the poor category and not get used to it, therefore it is necessary to find work for a certain time and to support the unemployed working in the workplace as much as possible.
- 7. The entire system of social services must comply with strict standards and operate under serious public control.
- 8. The inequality of balance should be measured not only by consumption, but also by cash income per capita, and the results of a sample household survey should be adjusted to take into account the macroeconomic indicators of households.

- 9. Stimulation of entrepreneurial activity of self-employed, increase in the share of self-employed in the income of the population from 9.6% to 20% of the number of employees in Kazakhstan.
- 10. Since the minimum wage and the minimum pension greatly influence the level of poverty, this mechanism is recommended to be used as one of the tools to reduce poverty.

Summing up, the structure of incomes by source of income and wages from it is an important characteristic of the process of formation of the welfare of the population. The structure of money incomes of the population gives the population an idea of which source of income is significant. The change in the structure of money incomes of the population is one of the factors that contribute to enhancing the qualifications of the population in terms of income or, conversely, to weakening.

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## Қазақстан Республикасы халқының табыстары – өмір сүру деңгейін бағалаудың негізгі өлшемі ретінде

**Аннотация.** Бұл мақалада Қазақстан Республикасы халқының табыстары оның өмір сүру деңгейін бағалаудың негізгі өлшемі ретінде негізделіп, халықтың ақшалай табысының құрылымында халыққа қандай табыс көзі маңызды болып табылатындығы туралы түсінік беріледі. Сондай-ақ халықтың ақшалай табыстары құрылымындағы өзгеріс – халықтың табыстары бойынша саралануын күшейтуге немесе керісінше, әлсіреуіне ықпал ететін факторлардың бірі бола алатындығы негізделген.

**Түйін сөздер:** табыстар, халық, халықтың өмір сүру деңгейі, орташа айлық еңбекақы, ең төменгі күнкөріс деңгейі.

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## Доходы населения Республики Казахстан как основной критерий оценки его уровня жизни

**Аннотация:** В данной статье рассматриваются доходы населения Республики Казахстан как основной критерий оценки его уровня жизни. Дается оценка уровня жизни населения и обоснованы наиболее важные виды доходов в общей структуре доходов. Приведено утверждение, что изменение структуры денежных доходов населения может быть одним из факторов, способствующих их усилению или дифференциации.

**Ключевые слова:** доходы, население, уровень жизни, среднемесячная заработная плата, прожиточный минимум.

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